

CITY COUNCIL AGENDA

AUGUST 19, 2008

SYNOPSIS

PETE CONSTANT
FORREST WILLIAMS
SAM LICCARDO
KANSEN CHU
NORA CAMPOS



Welcome to the San José City Council meeting!

This Agenda contains both a Consent Calendar section for routine business items that require Council approval, and general business items arranged to correspond with San José's City Service Areas (CSAs). City Service Areas represent the policy-making level for strategic planning, policy setting, and investment decisions in the critical functions the City provides to the community. They are:

- *Strategic Support Services* The internal functions that enable the CSAs to provide direct services to the community in an effective and efficient manner.
- *Community & Economic Development* Manage the growth and change of the community in order to create and preserve healthy neighborhoods and ensure a diverse range of employment and housing opportunities.
- *Neighborhood Services* Serve, foster, and strengthen community by providing access to lifelong learning and opportunities to enjoy life.
- *Transportation & Aviation Services* A safe and efficient transportation system that contributes to the livability and economic health of the City; and provide for the air transportation needs of the community and the region at levels that is acceptable to the community.
- *Environment and Utility Services* Manage environmental services and utility systems to ensure a sustainable environment for the community.
- *Public Safety Services* Commitment to excellence in public safety by investing in neighborhood partnerships as well as prevention, enforcement, and emergency preparedness services.

Items listed in Section 9 require approval of both the City Council and the San José Redevelopment Agency Board.

You may speak to the City Council about any item that is on the agenda, and you may also speak on items that are not on the agenda during Open Forum. If you wish to speak to the City Council, please refer to the following guidelines:

- o Fill out a Yellow Speaker's Card and submit it to the City Clerk seated at the front table. Do this before the meeting or before the item is heard. This will ensure that your name is called for the item(s) that you wish to address, and it will help ensure the meeting runs smoothly for all participants.
- O When the Council reaches your item on the agenda, Mayor Reed will open the public hearing and call your name. Please address the Council from the podium, which is located to the left of the City Clerk's table.
- Each speaker generally has two minutes to speak per item. The amount of time allotted to speakers may vary at the Mayor's discretion, depending on the number of speakers or the length of the agenda.
- To assist you in tracking your speaking time, there is a display on the podium. The green light turns on when you begin speaking; the yellow light turns on when you have 30 seconds left; and the red light turns on when your speaking time is up.

Please be advised that, by law, the City Council is unable to discuss or take action on issues presented during Open Forum. According to State Law (the Brown Act) items must first be noticed on the agenda before any discussion or action.

The San José City Council meets every Tuesday at 1:30 p.m. and every first and third Tuesday at 7 p.m., unless otherwise noted. If you have any questions, please direct them to the City Clerk's staff seated at the tables just below the dais. Thank you for taking the time to attend today's meeting. We look forward to seeing you at future meetings.

Agendas and Staff Reports for City Council items may be viewed on the Internet at www.sanjoseca.gov/clerk/agenda.asp. Council Meetings are televised live and rebroadcast on Channel 26.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the City Clerk at San José City Hall, 200 E. Santa Clara Street, Council Wing, 2nd Floor, San José, CA 95113 at the same time that the public records are distributed or made available to the legislative body.

To arrange an accommodation under the Americans with Disabilities Act to participate in this public meeting, please call (408) 535-1260 or (408) 294-9337 (TTY) at least two business days before the meeting.

On occasion the City Council may consider agenda items out of order.

Call to Order and Roll Call

9:01 a.m. - Closed Session, Call to Order in Council Chambers
Absent Council Members: Campos. (Excused)

1:33 p.m. - Regular Session, Council Chambers, City Hall
Absent Council Members: Campos. (Excused)

• Invocation (District 7)

Pastor Arnold, the Cryy Out Christian Fellowship, presented an inspirational prayer.

Pledge of Allegiance

Mayor Reed led the Pledge of Allegiance.

Orders of the Day

The Orders of the day and the Amended Agenda were approved, with Item 3.2 deferred to 8/26/08 and Item 4.3 was heard.

Closed Session Report

City Attorney Doyle disclosed the following Closed Session actions of August 19, 2008:

A. Public Employment/Public Employee Appointment Pursuant to Government Code Section 54957:

Title: Chief Information Officer Name: Stephen R. Ferguson

- 1 - CC 08/19/08

CLOSED SESSION REPORT (Cont'd.)

Council Vote: Ayes: Chirco, Chu, Constant, Cortese, Liccardo, Nguyen,

Oliverio, Pyle, Williams; Reed.

Noes: None. Disqualified: None.

Absent: Campos. (Excused)

Vacant: None.

1. CEREMONIAL ITEMS

Presentation of a proclamation to NVIDIA declaring August 25, 2008 – September 1, 2008 as "Visual Computing Week". (Mayor/Liccardo/Pyle)

(Deferred from 6/3/08 – Item 1.5)

Mayor Reed and Council Members Liccardo and Pyle recognized August 25, 2008 through September 1, 2008 as "Visual Computing Week" and presented a plaque to NVIDIA.

1.2 Presentation of a commendation to Alberto Olmos in recognition of his many years of service as President of Los Bomberos of Northern California. (Campos)

Mayor Reed recognized and commended Alberto Olmos for his years of service as President of Los Bomberos (Firefighters) of Northern California. Council Member Campos was not present.

2. CONSENT CALENDAR

2.1 Approval of Minutes.

Recommendation: Approval of minutes.

- (a) Regular Minutes of May 6, 2008
- (b) Regular Minutes of May 13, 2008
- (c) Regular Minutes of May 20, 2008
- (e) Special Meeting Minutes of May 27, 2008

Approved.

(d) Regular Minutes of June 3, 2008

Deferred to 9/9/08 per City Clerk.

- 2 - CC 08/19/08

2.2 Final adoption of ordinances.

Recommendation: Final adoption of ordinances.

(a) <u>ORD. NO. 28358</u> – Amending Chapters 22.04 and 22.08 of Title 22 of the San José Municipal Code to update and modify the art in public places requirements and the provisions regarding the operation of the convention and cultural facilities.

Ordinance No. 28358 adopted.

(b) <u>ORD. NO. 28359</u> – Amending Section 4.04.020 of Chapter 4.04 of Title 4 of the San José Municipal Code to increase administrative contract authority for grant agreements, public art agreements and sponsorship agreements.

Ordinance No. 28359 adopted.

2.3 Approval of Travel for the City Clerk.

Recommendation:

- (a) Approve travel for City Clerk Lee Price to Montecito, California on August 14-22, 2008 to provide training services at Continuing Education for Public Officials. Source of Funds: Continuing Education for Public Officials.
- (b) Approve travel for City Clerk Lee Price to Riverside, California on September 2-5, 2008 to provide training services at Technical Track for City Clerks. Source of Funds: Technical Track for City Clerks.

(City Clerk)

(Rules Committee referral 8/6/08)

Approved.

2.4 Contract Change Order with Kiewit Pacific Company.

Recommendation: Approve a change order for the project entitled, "San José/Santa Clara Water Pollution Control Plant Reliability Improvements Project," for a total amount of \$301,300 with no change to the term of contract with Kiewit Pacific Company. CEQA: Exempt, File Nos. PP03-05-183 and PP04-07-217. (Environmental Services) **Approved.**

2.5 Contract Change Order with Anderson Pacific Engineering Construction.

Recommendation:

- (a) Approve a change order to extend the term of the contract with Anderson Pacific Engineering Construction, Inc. for the project entitled "San José/Santa Clara Water Pollution Control Plant, FY 2007/2008 Capital Improvement Program, East Primary Influent Channel Repair Project," from June 18, 2008 to October 16, 2008.
- (b) Approve an increase in the contingency for the project in the amount of \$70,000 for a total contingency amount of \$140,000.

CEQA: Exempt, File No. PP07-141. (Environmental Services) **Approved.**

- 3 - CC 08/19/08

2.6 Grant Agreement with Mansion Grove Apartments for Retrofit of Recycled Water Facilities.

Recommendation: Adopt a resolution authorizing the City Manager to negotiate and execute a grant agreement with Mansion Grove Apartments in an amount not-to-exceed \$220,000 for retrofit of recycled water facilities. CEQA: Resolution No. 64667 (SCH92-01-3071) and Addenda thereto including No. 1, "San José Nonpotable Reclamation Project (November, 1995)". (Environmental Services)

Resolution No. 74548 adopted.

2.7 San José Municipal Water System's Water Supply Assessment for Gavilan College – Coyote Campus.

Recommendation: Approve San José Municipal Water System's Water Supply Assessment for the Gavilan College Coyote Campus. CEQA: Exempt, File No. PP08-151. Council District 2. (Environmental Services)

Approved.

2.8 Transfer of Treatment Plant Capacity from Cupertino Sanitary District to the City of Milpitas.

Recommendation: Adopt a resolution authorizing the City Manager to negotiate and execute amendments to agreements among the cities of San José, Santa Clara and Milpitas and Cupertino Sanitary District to reflect the transfer of 0.75 million gallons of capacity in the San José/Santa Clara Water Pollution Plant from Cupertino Sanitary District to the City of Milpitas. CEQA: Not a Project. (Environmental Services) **Resolution No. 74549 adopted.**

2.9 Report on Open Purchase Orders for FY 2008-2009 #2

Recommendation: Approve award of open purchase orders for supplies, materials, equipment and services for FY 2008-2009 #2 and authorization for the Director of Finance to execute the purchase orders. CEQA: See Administration's memo to Council for specific CEQA clearance determinations on each recommended action. (Finance) **Approved.**

- 4 - CC 08/19/08

2.10 Amendment to the Agreement with Winzler & Kelly.

Recommendation:

(a) Approve a Second Amendment to an Agreement with Winzler & Kelly for consultant services to design engineering solutions to repair Upper Penitencia Creek bridges and stream damage in Alum Rock Park by increasing the scope of work, extending the term of the contract to June 30, 2009, increasing compensation by \$37,000 to an amount not-to-exceed \$337,000, and reflecting the current name of the consultant that has changed since execution of the original Agreement and First Amendment.

Approved.

- (b) Adopt the following Appropriation Ordinance Amendments in the Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District 4 (Fund 381) to:
 - (1) Increase the appropriation to the Parks, Recreation and Neighborhood Services Department for the Capital Maintenance Projects by \$37,000.
 - (2) Decrease the Ending Fund Balance by \$37,000.

CEQA: Not a Project. Council District 4. (Parks, Recreation and Neighborhood Services/City Manager's Office)

Ordinance No. 28386 adopted.

2.11 Initiation of the Annexation/Reorganization of Burbank No. 41.

Recommendation: Adopt a resolution initiating proceedings and setting a public hearing on September 23, 2008 at 7:00 p.m. for the reorganization/annexation of the territory designated as Burbank No. 41 which involves the annexation to the City of San José of approximately 16 gross acres of land located on the north side of Stevens Creek Boulevard, west of Revey Avenue, including additional properties along Bellerose Drive, Di Salvo Avenue, Ciro Avenue, O'Connor Drive and Bailey Avenue, and the detachment of the same from the appropriate special districts including Central Fire District, County Lighting, West Valley Sanitation, and Area No. 01 (Library Service) County Service. CEQA: Resolution No. 65459. Council District 6. (Planning, Building, Code Enforcement)

Resolution No. 74550 adopted.

2.12 Initiation of the Annexation/Reorganization of Hamilton No. 59.

Recommendation: Adopt a resolution initiating proceedings and setting a public hearing on September 23, 2008 at 7:00 p.m. for the reorganization of territory designated as Hamilton No. 59 which involves the annexation to the City of San José of approximately 131 gross acres of land located between Meridian Avenue and Leigh Avenue, north of Hamilton Avenue, and the detachment of the same from the appropriate special districts including Central Fire Protection, County Lighting, West Valley Sanitation, and Area No. 01 (Library Services) County Service. CEQA: Resolution No. 65459. Council District 6. (Planning, Building and Code Enforcement)

Resolution No. 74551 adopted.

- 5 - CC 08/19/08

2.13 Initiation of the Annexation/Reorganization of Meridian No. 73.

Recommendation: Adopt a resolution initiating proceedings and setting a public hearing on September 23, 2008 at 7:00 p.m. for the reorganization of territory designated as Meridian No. 73 which involves the annexation to the City of San José of approximately 147 gross acres of land located between Hamilton Avenue and Dry Creek Road, west of Meridian Avenue and east of the City of Campbell boundary, and the detachment of the same from the appropriate special districts including Central Fire Protection, County Lighting, West Valley Sanitation, and Area No. 01 (Library Services) County Service. CEQA: Resolution No. 65459. Council District 6. (Planning, Building and Code Enforcement)

Resolution No. 74552 adopted.

Noes: Constant.

2.14 Actions Related to the Sale of a Portion of Ninth Street.

Recommendation:

- (a) Adopt a resolution:
 - (1) Declaring the .119 acre City-owned property, a portion of North Ninth Street, surplus to the needs of the City;
 - (2) Approving the sale agreement with an adjacent property owner, DAK, a California General Partnership, in the amount of \$311,000; and
 - (3) Delegating authority to the Director of Public Works to execute all documents necessary to complete the transfer of the property.

Resolution No. 74553 adopted.

 (b) Direct the City Manager to return with appropriation actions to allocate proceeds from this sale to address the City's Deferred Maintenance and Infrastructure Backlog.
 CEQA: Mitigated Negative Declaration PDC05-059. Council District 3. SNI: 13th Street.
 (Public Works)

Approved.

2.15 Easement Donation for Traffic Signal Modification.

Recommendation: Adopt a resolution approving an agreement with Collins & Constant Investments, LLC, for the donation of an approximate 956 square foot public street right-of-way easement on, under, over and through a portion of the property at 1000 South Winchester Boulevard and authorizing the Director of Public Works to execute any additional documents necessary to complete the transaction. CEQA: Exempt, File No. PP06-210. Council Districts 1 and 6. SNI: Winchester. (Public Works)

Resolution No. 74554 adopted.

- 6 - CC 08/19/08

2.16 Summary Vacation of a portion of McKee Road.

Recommendation: Adopt a resolution summarily vacating a portion of McKee Road located in front of 2740 McKee Road. CEQA: Exempt, File No. PDC03-082. Council District 5. (Public Works)

Resolution No. 74555 adopted.

2.17 Amendment to the Agreement with Kleinfelder West Inc.

Recommendation: Approve the First Amendment to the Master Agreement with Kleinfelder West Inc. for the special inspections and material testing for the Terminal Area Improvement Program (TAIP) at the Norman Y. Mineta San José International Airport, increasing compensation by \$250,000 for a total amount not-to-exceed \$750,000. CEQA: Not a Project. (Public Works/Airport)

Approved.

2.18 Excused absences for Council Member Campos.

Recommendation: Request for excused absences for Council Member Campos from all City Council meetings, Council Committee meetings, and other boards, committees or agencies on which Council Member Campos serves as a member or representative for the City beginning August 27 through November 11, 2008, to be adjusted as necessary by request, due to maternity leave. (Campos)

(Rules Committee referral 8/13/08)

Excused.

2.19 Excused absences for Council Member Constant.

Recommendation: Request for excused absences for Council Member Constant.

- (a) Request for an excused absence from the Regular Meeting of the Community & Economic Development Committee of August 25, 2008 due to Authorized City Business: Federated City Employees' Retirement Services Education Training in San Francisco, CA.
- (b) Request for an excused absence from the Closed Session and City Council Meeting on August 26, 2008 due to Authorized City Business: Federated City Employees' Retirement Services Education Training in San Francisco, CA.

(Constant)

(Rules Committee referral 8/13/08)

Excused.

- 7 - CC 08/19/08

2.20 Revision to the Mobilehome Advisory Commission.

Recommendation: As recommended by the Rules and Open Government Committee, appoint two former members of the Advisory Commission on Rents, Larry Hull and Dan Wagner, to the Mobilehome Advisory Commission through December 31, 2008. (Nguyen) [Rules Committee referral 8/6/08 – Item F(1)]

Approved.

2.21 Reappointment to the Library Commission.

Recommendation: As recommended by the Rules and Open Government Committee, reappoint Caroline Martin to the Library Commission. (Oliverio) [Rules Committee referral 8/6/08 – Item F(2)]

Approved.

2.22 Appointment to the Arts Commission.

Recommendation: As recommended by the Rules and Open Government Committee, appoint Richard Holden to the Arts Commission. (Williams) [Rules Committee referral 8/6/08 – Item F(3)] **Approved.**

3. STRATEGIC SUPPORT SERVICES

- 3.1 Report of the City Manager, Debra Figone (Verbal Report)
 No Report.
- 3.2 Report of the Rules and Open Government Committee August 6, 2008 Mayor Reed, Chair
 Deferred to 8/26/08 per Orders of the Day.
- 3.3 Report of the Public Safety, Finance and Strategic Support Committee June 19, 2008 Council Member Nguyen, Chair Received.

4. COMMUNITY & ECONOMIC DEVELOPMENT

4.1 Report of the Community & Economic Development Committee Council Member Pyle, Chair No Report.

4. COMMUNITY & ECONOMIC DEVELOPMENT

4.2 Mexican Heritage Plaza Transition Plan.

Recommendation:

- (a) Accept the report presented to the Community & Economic Development Committee on June 23, 2008 regarding the Mexican Heritage Plaza transition update.
- (b) Authorize the City Manager to negotiate and execute a cooperation agreement with the Hispanic Foundation of Silicon Valley to join the City in managing the business planning process for the Mexican Heritage Plaza transition to community cultural center.

CEQA: Not a Project. Council District 5. (City Manager's Office/General Services) [Community and Economic Development Committee referral 06/23/08 – Item (h)] (Deferred from 8/5/08 – Item 4.3)

Deferred to 8/26/08 per Administration.

4.3 Ordinance Establishing Convention Center Facilities District Financing Procedure.

Recommendation: Approve an ordinance amending Title 14 of the San José Municipal Code to add a new Chapter 14.32 to establish a procedure for the financing of certain public capital facilities through the establishment of Convention Center Facilities Districts, the levy of special taxes and the issuance of bonds secured by such special taxes. CEQA: Not a Project. (City Attorney's Office)

Ordinance No. 28387 passed for publication.

4.4 Tesla Motors Potential Location in San José.

Recommendation: Authorize the City Manager or her designee to initiate discussion with Tesla Motors regarding the potential use of a portion of the buffer lands associated with the Water Pollution Control Plant and other privately held sites in San José for a future manufacturing, research and development site. CEQA: Not a Project. Council District 4. (Economic Development)

Approved, with Staff requested to work with the District 4 Office to accomplish initial outreach in Alviso and involve them in the process.

5. NEIGHBORHOOD SERVICES

5.1 Report of the Neighborhood Services and Education Committee Council Member Chirco, Chair No Report.

- 9 - CC 08/19/08

6. TRANSPORTATION & AVIATION SERVICES

- 6.1 Report of the Transportation and Environment Committee Council Member Williams, Chair No Report.
- 6.2 Presentation by the City of San José Director of Aviation Regarding the Current Status of the Airline Industry.

Recommendation: Accept a presentation by the City of San José Director of Aviation regarding the current status of the airline industry. CEQA: Not a Project. (Airport) (Deferred from 8/5/08 – Item 6.2)

Received. No Council Action Necessary.

6.3 Amendments to the Airline-Airport Lease and Operating Agreements.

Recommendation: Adopt a resolution authorizing the City Manager to negotiate and execute amendments to the Airline-Airport Lease and Operating Agreements with all passenger airlines operating at the Norman Y. Mineta San José International Airport and First Amendments to the Airline-Airport Cargo Operating Agreements with all cargo airlines operating at the Airport, to use a portion of the City's Airline Rate Stabilization Fund in an amount not-to-exceed \$2,172,000 to reduce projected 2008-2009 terminal rents below the projected terminal rental rates included in the Adopted 2008-2009 Airport budget, retroactive to July 1, 2008. CEQA: Resolution Nos. 67380 and 71451, File No. PP 08-142. (Airport)

Resolution No. 74556 adopted.

6.4 Amendments to the Federal Aviation Administration to impose and use Passenger Facility Charges.

Recommendation: Adopt a resolution authorizing the City Manager to:

- (a) Submit an application to the Federal Aviation Administration to impose and use Passenger Facility Charges (PFC's) for the Terminal B, Phase 1 and Roadway Improvements Grade Separations Projects in the amount of \$120,933,000.
- (b) Amend the approved PFC Noise Attenuation project by more than 25% of the original approved amount with an increase in the total cost of \$621,121.
- (c) Amend seven completed PFC projects by less than 25% of the original approved amounts with an increase in the total cost of \$525,609, for a net increase in the total PFC authority in the amount of \$122,079,730, and with a total approved PFC collection authority in the amount of \$1,094,317,121, through an estimated charge expiration date of September 1, 2030.

CEQA: Resolution Nos. 63780 and 71451, File No. PP08-145. (Airport) **Resolution No. 74557 adopted.**

- 10 - CC 08/19/08

6. TRANSPORTATION & AVIATION SERVICES

6.5 Agreement with the Transportation Security Administration for the Terminal A Checked Baggage Explosive Detection System.

Recommendation: Adopt a resolution authorizing the City Manager to negotiate and execute an Other Transaction Agreement with the Transportation Security Administration (TSA), an agency of the United States Department of Homeland Security, to establish the respective obligations and other responsibilities of the City and the TSA regarding the Terminal A In-Line Checked Baggage Explosive Detection System, and to provide for funding by the TSA of ninety percent (90%) of allowable costs of the baggage screening system not to exceed a total reimbursement of \$20,300,000, for a term from the date of execution through completion and acceptance of the project. CEQA: Resolution Nos. 67380 and 71451, File No. PP 08-149. (Airport)

Resolution No. 74588 adopted.

6.6 Airport North Concourse General Building Contingency Budget.

Recommendation: Increase the contingency budget for the Norman Y. Mineta San José International Airport North Concourse General Building, Package 4 in the total amount of \$1,699,975, utilizing unspent allowances for Bid Items 2 and 3, at no increase in the total contract amount. CEQA: Resolution Nos. 67380 and 71451, File No. PP08-135. (Public Works/Airport)

Approved.

7. ENVIRONMENTAL & UTILITY SERVICES

8. PUBLIC SAFETY SERVICES

- 11 - CC 08/19/08

9. JOINT COUNCIL/REDEVELOPMENT AGENCY

9.1 Ordinance and Other Actions Related to Freestanding News Racks within the Downtown Core and Civic Plaza.

Recommendation: Approve an ordinance:

- (a) Placing a moratorium of the installation and relocation of freestanding news racks within the Downtown Core and the Civic Plaza Redevelopment Project Area; and,
- (b) Establishing a consolidated pedestal mounted news rack pilot program within the Downtown Core and the Civic Plaza Redevelopment Project Area for a period of September 30, 2008 to August 31, 2010.

CEQA: Exempt, File No. PP08-104. Council District 3. (City Manager's Office/Redevelopment Agency)

(Deferred from 6/17/08 – Item 9.3 and 8/12/08 – Item 9.1)

Dropped to be renoticed.

- Notice of City Engineer's Pending Decision on Final Maps None.
- Notice of City Engineer's Award of Construction Projects None.
- Open Forum
 - (1) Ernesto Salazar noted his support for the improvements planned for the shopping center on Monterey Highway and Roeder Road but expressed concern that the driveways were not being repaired.
- Adjournment

The Council of the City of San José was adjourned at 3:38 p.m.

- 12 - CC 08/19/08

10. GENERAL PLAN PUBLIC HEARINGS

No General Plan Public Hearing at this time.

11. PUBLIC HEARINGS

- 11.1 Public Hearings on Consent Calendar. None.
- 11.2 Administrative Hearing regarding an appeal of the Planning Commission's decision to approve a Conditional Use Permit to convert an existing bookstore for daycare center and preschool use.

Recommendation: Conduct an Administrative Hearing and consider an appeal of the Planning Commission's decision to approve a Conditional Use Permit to convert an existing bookstore for daycare center and preschool use on a 0.40 gross acre site, in the CO Office Commercial Zoning District, located on the northwest corner of Bercaw Lane and Wyrick Avenue (14831 Bercaw Lane) (Beck, Diaz and Menendez, LLC, Owner). CEQA: Exempt.

CP07-092 - District 9

Rescheduled to 8/26/08 (afternoon) due to cancellation of evening Council Meeting per Rules and Open Government Committee.

- 13 - CC 08/19/08